

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of) No. D 03 - 162
)
Stephen E. Gates) **ORDER REVOKING LICENSES**
and)
Truck Insurance Agency, Inc.,)
)
Licensee.)

To: Stephen E. Gates
3217 179th Ave. E.
Sumner, WA 98390
and
Truck Insurance Agency, Inc.
3217 179th Ave. E.
Sumner, WA 98390

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your licenses are **REVOKED**, effective August 31, 2003, pursuant to RCW 48.17.530 and 48.17.540(2).

THIS ORDER IS BASED ON THE FOLLOWING:

1. Truck Insurance Agency, Inc. has been a licensed insurance agency continuously since July 28, 1986.
2. Stephen E. Gates has been a licensed insurance agent continuously since December 12, 1982.
3. Stephen E. Gates owns 100 percent of Truck Insurance Agency, Inc. and is directly responsible for the accounting for, and disbursement of, Truck Insurance Agency, Inc. funds.
4. As a result of a complaint being filed by Premium Finance Specialists and Superior Underwriters, General Agents, on August 20, 2002, Marianne Wise, investigator with the Office of the Insurance Commissioner (OIC), started an audit of the licensees' financial records for compliance with the insurance code, Revised Code of Washington (RCW) and Washington Administrative Code (WAC).

ORDER REVOKING LICENSES

No. D 03 - 162

Page 2

5. The audit found that the licensee, Gates, had made a number of ATM withdrawals and had issued checks made payable to himself from the agency premium account. During the period January 1999 through December 1999 he withdrew approximately \$71,001; December 2000 through January 2000 he withdrew approximately \$64,453; January 2001 through December 2001 he withdrew approximately \$81,610; and January 2002 through June 2002 he withdrew approximately \$35,330. He provided no documents to support that he was entitled to these funds. Each transaction was a violation of RCW 48.17.600 and WAC 284-12-080, separation of premium funds.

6. The audit reviewed 58 accounts and found 40 accounts had return premiums owed to consumers for adjustments, overcharges and cancellations. Licensee, Gates and licensee Truck Insurance Agency, Inc. were unable to make the refunds and therefore the General Agents made the refunds direct to the consumers. Each such failure to return premiums was in violation of RCW 48.17.480.

7. During the audit licensee Gates was unable to produce all records of the premium accounts or consumer records of various transactions. Each failure to provide complete and accurate records of each insurance transaction is a violation of RCW 48.17.470. Each failure to produce the record of premium transactions violated RCW 48.17.480, reporting and accounting of premium and RCW 48.17.600 separation of premium funds.

8. By reason of your conduct, you have shown yourself to be and are so deemed by the Commissioner, untrustworthy and a source of injury and loss to the public and not qualified to be an insurance agent in the State of Washington. Accordingly, your licenses are revoked pursuant to RCW 48.17.530(1) (b), (d), (e), (h).

IT IS FURTHER ORDERED that you return your insurance agent license certificates to the Commissioner on or before the effective date of the revocation of your licenses, as required by RCW 48.17.530(4).

NOTICE CONCERNING YOUR RIGHT TO A HEARING. Please note that a detailed summary of your right to contest this Order is attached. Briefly, if you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. If your demand for a hearing is received by the Commissioner before the effective date of the revocation, then the revocation will be stayed (postponed) pending the hearing, pursuant to RCW 48.04.020. Upon receipt of your demand for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attention Scott Jarvis,

ORDER REVOKING LICENSES

No. D 03 - 162

Page 3

Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257,
Olympia, WA 98504-0257.

ENTERED AT TUMWATER, WASHINGTON, this 11th day of August, 2003.

MIKE KREIDLER
Insurance Commissioner

By

SCOTT JARVIS
Deputy Commissioner

Examiner: Marianne Wise